

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
MAGAZINE PUBLISHERS OF AMERICA WITNESS COHEN
(USPS/MPA-T2-1-14)

Pursuant to rules 25 and 26 of the Rules of Practice and Procedure and rule 2 of the Special Rules of Practice, the United States Postal Service directs the following interrogatories and requests for production of documents to Magazine Publishers of America witness Cohen: USPS/MPA-T2-1-14.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Eric P. Koetting

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2992; Fax -5402
January 12, 1998


Eric P. Koetting

POSTAL SERVICE INTERROGATORIES TO MPA WITNESS COHEN

USPS/MPA-T2-1. Please refer to MPA-T-2 at pages 13-14. Please explain in detail why it is “counterintuitive” for the costs of handling empty items to be a significant fraction of the cost of handling non-empty items.

USPS/MPA-T2-2. Please refer to MPA-T-2 at page 23. You state that IOCS data collectors “manage to count only about 38 percent of eligible item costs.”

(a) Please confirm that the 38 percent figure you provide is derived from the same data as presented in witness Stralberg’s Table 4-1, Exhibit 4, TW-T-1. If you do not confirm, please explain.

(b) Please confirm that the 38 percent figure you provide is derived in the same way as the identical figure in TW-T-1, page 15, line 20. If you do not confirm, please provide a detailed derivation of the figure in electronic spreadsheet format.

USPS/MPA-T2-3. Please refer to your Table 4 (MPA-T-2 at page 24), and TW-T-1, at page 13.

(a) Do you agree with witness Stralberg that Regular Rate Periodicals account for 3.86% of all direct volume variable costs in MODS offices? If not, please explain.

(b) Please confirm that, according to your Table 4, Periodicals are approximately 18 times more common in brown sack tallies than in direct tallies as a whole. If you do not confirm, please explain.

USPS/MPA-T2-4. Please refer to your Table 4 (MPA-T-2 at page 24), and spreadsheet TW-19.xls, USPS-LR-H-260.

(a) Please confirm that Express Mail tallies account for 0.5% of direct volume variable costs in TW-19.xls. If you do not confirm, please provide the figure you believe to be correct.

(b) Please confirm that, according to your Table 4, Express Mail is approximately 152 times more common in blue and orange sack tallies than in direct tallies as a whole. If you do not confirm, please explain.

USPS/MPA-T2-5. Please refer to your Table 4 (MPA-T-2 at page 24), and spreadsheet

TW-19.xls, USPS-LR-H-260.

- (a) Please confirm that Priority Mail tallies account for 3.2% of direct volume variable costs in TW-19.xls. If you do not confirm, please provide the figure you believe to be correct.
- (b) Please confirm that, according to your Table 4, Priority Mail is approximately 27 times more common in orange and yellow sack tallies than in direct tallies as a whole. If you do not confirm, please explain.

USPS/MPA-T2-6. Please refer to your Table 4 (MPA-T-2 at page 24), and spreadsheet TW-19.xls, USPS-LR-H-260.

- (a) Please confirm that Standard Mail (A) tallies account for 21.9% of direct volume variable costs in TW-19.xls. If you do not confirm, please provide the figure you believe to be correct.
- (b) Please confirm that, according to your Table 4, Standard Mail (A) is approximately three times more common in white sack tallies than in direct tallies as a whole. If you do not confirm, please explain.

USPS/MPA-T2-7. Please refer to your Table 4 (MPA-T-2 at page 24), and spreadsheet TW-19.xls, USPS-LR-H-260.

- (a) Please confirm that International tallies account for 1.7% of direct volume variable costs in TW-19.xls. If you do not confirm, please provide the figure you believe to be correct.
- (b) Please confirm that, according to your Table 4, International Mail is approximately 53 times more common in international sack tallies than in direct tallies as a whole. If you do not confirm, please explain.

USPS/MPA-T2-8. Please refer to your Table 4 (MPA-T-2 at page 24), and spreadsheet TW-19.xls, USPS-LR-H-260.

- (a) Please confirm that First-Class tallies account for 62.6% of direct volume variable costs in TW-19.xls. If you do not confirm, please provide the figure you believe to be correct.

- (b) Please confirm that, according to your Table 4, First-Class Mail is approximately 1.17 times more common in green sack tallies than in direct tallies as a whole. If you do not confirm, please explain.

USPS/MPA-T2-9. Based on your answers to USPS/MPA-T2-3 to USPS/MPA-T2-8, do you still dispute witness Degen's assertion that there are "significant associations" between certain item types and shapes or subclasses of mail? Please explain fully how your response affects your testimony.

USPS/MPA-T2-10. Please refer to MPA-T-2 at page 25, lines 14-17. Please confirm that both mailer prepared and Postal Service prepared items can appear as mixed item tallies. If you do not confirm, please explain fully.

USPS/MPA-T2-11. Please refer to MPA-T-2 at page 29, lines 16-20.

- (a) Please confirm that the 70 percent figure was derived by counting the number of records in spreadsheet DMA15c.xls, USPS-LR-H-305, with coefficients of variation greater than or equal to 50%, and dividing that number by the total number of records in the spreadsheet. If you do not confirm, please provide a detailed derivation of the figure.
- (b) Please confirm that 1,106 records, 30.97% of the total, in spreadsheet DMA15c.xls, USPS-LR-H-305 have coefficients of variation less than 50 percent. If you do not confirm, please explain.
- (c) Please refer to the "Tally Cost (\$000)" column of spreadsheet DMA15c.xls, USPS-LR-H-305. Please confirm that the observations with coefficients of variation less than 50 percent account for 94.90% of the distributing costs reported in spreadsheet DMA15c.xls. If you do not confirm, please explain. If you confirm, please explain fully how your response affects your testimony.

USPS/MPA-T2-12. Please refer to MPA-T-2 at page 26, and to program ALB105C5, USPS-LR-H-21. You state that it is "troubling" that witness Degen confines his mixed-mail distributions within cost pools.

- (a) Please confirm that the shape-related mixed mail codes (5610, 5620, 5700) are assigned based on the mail processing operation recorded in IOCS question 19. If you do not confirm, please explain.
- (b) Please confirm that witness Degen's distribution cost pools (BCS, LSM, Manual Flats, etc.) are MODS-based analogues to IOCS question 19 operations. If you do not confirm, please explain.
- (c) Please confirm that the assignment of the shape-related mixed mail codes in program ALB105C5 does not take into account whether the mail processing operation is a manual, mechanized, or automated operation. If you do not confirm, please explain.
- (d) Is it your testimony that you should obtain more accurate mixed-mail distributions by employing mixed-mail activity codes that ignore whether the tally was taken in a manual, mechanized, or automated operation? Please explain fully.

USPS/MPA-T2-13. Please refer to MPA-T-2 at pages 27-28.

- (a) Consider an employee who is loading mail onto the feeder mechanism of an MPBCS. If that employee is sampled in IOCS while handling an empty tray, is it reasonable to assume that the tray's contents were emptied into the MPBCS? Please explain.
- (b) Consider an employee who is sweeping the output bins of an MPBCS. If the employee is sampled in IOCS while handling an empty tray, is it reasonable to assume that the tray would be filled with mail that had been sorted on the MPBCS? Please explain.
- (c) Consider an employee who is working in an opening unit. If the employee is sampled in IOCS while handling an empty brown sack, is it reasonable to assume that the sack was emptied so that the bundles therein could be sorted? Please explain.

USPS/MPA-T2-14.

- (a) Please refer to MPA-T-2 at page 25, lines 23-28. Is it your testimony that loose flats found in containers are unlikely to resemble piece handlings in distribution operations? Please explain fully.
- (b) Consider an identified container tally in a MODS allied labor operation (1Platfrm, 1OpPref, 1OpBulk, 1CancMPP, etc.) that contains loose flats. Please

confirm that witness Degen's proposed methodology does not assume that piece handlings in distribution operations represent the subclass distribution of loose flats observed in MODS allied operations. If you do not confirm, please explain. If you confirm, please explain how your answer affects your testimony.

- (c) Please refer to MPA-T-2 at page 28, lines 6-8. Is it your testimony that the appropriate distribution key for loose flats in containers in an opening unit is piece tallies in flat distribution operations? If your answer is negative, please explain your testimony.
- (d) Please explain the apparent contradiction between MPA-T-2 at page 25, lines 23-28, and at page 28, lines 6-8. Please explain how your answer affects your testimony.